



General Assembly

January Session, 2001

**Committee Bill No. 5465**

LCO No. 4768

Referred to Committee on Commerce

Introduced by:  
(CE)

**AN ACT CONCERNING ECONOMIC DEVELOPMENT AND  
REVITALIZATION IN SMALL MUNICIPALITIES.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

- 1       Section 1. (NEW) (a) As used in this section:
- 2       (1) "Eligible project" means a capital project identified in the plan  
3       prepared pursuant to subsection (b) of this section that supports the  
4       economic development and revitalization of the municipality,  
5       including, but not limited to, infrastructure projects that promote  
6       public access and improve façades and streetscapes and projects that  
7       develop and exhibit cultural assets;
- 8       (2) "Eligible program" means a revolving loan program providing  
9       fixed asset and working capital loans and micro loans to businesses  
10      and individuals for activities consistent with the plan prepared  
11      pursuant to subsection (b) of this section; and
- 12      (3) "Eligible municipality" means a municipality with a population  
13      of less than thirty-five thousand, as determined by 1999 population  
14      estimates of the Department of Public Health, that is on the list of

15 municipalities that satisfy affordable housing criteria prepared by the  
16 Commissioner of Economic and Community Development pursuant to  
17 section 8-39g of the general statutes.

18 (b) The Commissioner of Economic and Community Development  
19 shall administer a program of grants to eligible municipalities for  
20 economic development and revitalization. Grants may be used by  
21 municipalities for eligible projects identified in a ten-year economic  
22 development and revitalization plan which has been approved by  
23 resolution of the legislative body of the municipality.

24 (c) Municipalities may submit an application in the form and  
25 manner prescribed by the commissioner.

26 (d) In approving applications for grants under this section the  
27 commissioner shall give priority to targeted investment communities,  
28 as defined in section 32-222 of the general statutes, public investment  
29 communities, as defined in section 7-545 of the general statutes, and  
30 distressed communities, as defined in section 32-9p of the general  
31 statutes. Grants awarded under this section shall not be used for (1)  
32 housing, (2) infrastructure projects not related to economic  
33 development or revitalization, (3) projects eligible for funding under  
34 any other provision of the general statutes or special acts, or (4)  
35 administrative expenses.

36 (e) A municipality receiving a grant under this section shall  
37 annually review and revise, if necessary, the plan prepared pursuant  
38 to subsection (b) of this section and shall submit a report on such  
39 review and any revision to the commissioner.

40 Sec. 2. (NEW) (a) The legislative body of a municipality, by  
41 resolution, may establish an economic development and revitalization  
42 revolving loan fund. Grants made pursuant to this section may be  
43 deposited in such fund. Loans may be made from such fund to  
44 businesses and individuals for working capital and fixed assets and for  
45 micro-loans for eligible projects and programs. The municipality may

46 enter into a contract with an entity to administer the loans.

47 (b) The Commissioner of Economic and Community Development  
48 shall adopt regulations, in accordance with chapter 54 of the general  
49 statutes, for the administration of this section, including the  
50 establishment of priorities, eligibility of types of projects and activities,  
51 funding limitations and the application process.

52 Sec. 3. (a) For the purposes described in subsection (b) of this  
53 section, the State Bond Commission shall have the power, from time to  
54 time, to authorize the issuance of bonds of the state in one or more  
55 series and in principal amounts not exceeding in the aggregate twenty  
56 million dollars.

57 (b) The proceeds of the sale of said bonds, to the extent of the  
58 amount stated in subsection (a) of this section, shall be used by the  
59 Department of Economic and Community Development for the  
60 purpose of grants pursuant to section 1 of this act.

61 (c) All provisions of section 3-20 of the general statutes, or the  
62 exercise of any right or power granted thereby, which are not  
63 inconsistent with the provisions of this section are hereby adopted and  
64 shall apply to all bonds authorized by the State Bond Commission  
65 pursuant to this section, and temporary notes in anticipation of the  
66 money to be derived from the sale of any such bonds so authorized  
67 may be issued in accordance with said section 3-20 and from time to  
68 time renewed. Such bonds shall mature at such time or times not  
69 exceeding twenty years from their respective dates as may be provided  
70 in or pursuant to the resolution or resolutions of the State Bond  
71 Commission authorizing such bonds. None of said bonds shall be  
72 authorized except upon a finding by the State Bond Commission that  
73 there has been filed with it a request for such authorization which is  
74 signed by or on behalf of the Secretary of the Office of Policy and  
75 Management and states such terms and conditions as said commission,  
76 in its discretion, may require. Said bonds issued pursuant to this  
77 section shall be general obligations of the state and the full faith and

78 credit of the state of Connecticut are pledged for the payment of the  
79 principal of and interest on said bonds as the same become due, and  
80 accordingly and as part of the contract of the state with the holders of  
81 said bonds, appropriation of all amounts necessary for punctual  
82 payment of such principal and interest is hereby made, and the State  
83 Treasurer shall pay such principal and interest as the same become  
84 due.

85 Sec. 3. This act shall take effect July 1, 2001.

**Statement of Purpose:**

To provide grants to small municipalities consistent with a plan adopted by the legislative body of a municipality for economic development and revitalization.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: REP. PAWELKIEWICZ, 49th Dist.; SEN. PRAGUE, 19th Dist.